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SUBJECT: CAN LEADERS MEET IN QUITO

¶1. (U) Summary: Presidents from Ecuador, Colombia, Peru and Bolivia met at the Andean Community (CAN) conference in Quito on June 13 to publicly demonstrate their commitment to the troubled regional organization, discuss areas for cooperation with the European Union (EU), and to issue a joint letter asking the U.S. to extend trade preferences set to expire this December. Venezuelan President Hugo Chavez did not attend. Palacio and Morales criticized the U.S. for the eventual lapse of ATPDEA, calling it their just due for cooperating on narcotrafficking issues. End Summary.

CAN Presidents Meet, Chavez Absent

¶2. (U) Andean Community Presidents Alfredo Palacio, Alvaro Uribe, Alejandro Toledo, and Evo Morales met in Quito on June 13 to reaffirm their nation's commitment to CAN, agree to engage the EU on commercial and development issues as a bloc, and to draft a joint letter asking the U.S. to extend trade preferences beyond December 2006. Bolivian President Evo Morales, who assumed the presidency from Palacio, presided over the event. Notably absent was Venezuelan President Hugo Chavez, who despite invitations from Palacio and Morales, did not attend.

¶3. (SBU) Acting Colombian DCM Rodrigo Burgos told PolOff on June 14 that the principal objective of the meeting, in light of Venezuela's decision to leave CAN, was to publicly demonstrate their nation's commitment to the organization. He said that the meeting was positive overall, and should help the organization move beyond recent controversies. Burgos confessed that there was considerable concern and debate over how the U.S. would react to the joint letter, and confirmed reports of tension between Toledo and Morales. He said that Colombia will not likely pass the FTA before January or February 2007, and would benefit from extension.

ATPDEA is Our Right!

¶4. (U) Bolivian President Evo Morales reportedly said that Andean countries had assumed responsible roles in the fight against narcotrafficking, and that the U.S. should not use ATPDEA as a form of political control nor to force their governments to privatize natural resources. Palacio weighed in, reportedly calling the trade preferences Ecuador's "moral, economic, and social" right for their efforts against narcotrafficking, and reissued his plea for the U.S. to return to free trade talks.

Joint Declaration

¶5. (U) CAN Presidents issued a joint declaration affirming each country's commitment to regional integration and development based on sound democratic and social principles. The Quito Declaration also voiced CAN's desire to enter an Agreement of Association with the European Union, which would include a commercial agreement and greater cooperation on a range of unspecified issues. They reaffirmed CAN's commitment to fight narcotrafficking and terrorism, and to address structural causes for migration, poverty, and social exclusion, among other things.

¶6. (U) CAN leaders also drafted and signed a letter asking for the renewal of ATPDEA trade preferences for the region, which Colombian President Uribe reportedly presented to President Bush today in Washington. The letter stresses the importance of the U.S. market to CAN countries and asked that it be extended until Bolivia, Colombia, and Ecuador conclude free trade agreements (or ratification) with the US. Toledo, who expects that the FTA will pass the Peruvian Congress soon, declined to be included in the petition, choosing instead to note Peruvian solidarity for the measure.

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